

*Filed in the FCC Electronic Comment Filing System*

July 31, 2012

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

Re: 2012 Rate Floor Report, Docket No. 05-337, 10-90

Dear Ms. Dortch:

In the Connect America Fund Order, the Commission promulgated rule § 54.318 that reduces high-cost support for incumbent ETCs where end-user rates do not meet a specified local rate floor.<sup>1</sup> Specifically, beginning in July 2012 high-cost loop support (HCLS) and high-cost model support (HCMS) will be reduced where a carrier's local end-user rates plus state regulated fees do not meet the urban rate floor representing the national average of local rates plus those state regulated fees.<sup>2</sup> The attached filing provides rate floor information for all carriers that are below the initial local urban rate floor benchmark of \$10. Following is a summary of the attached filing:

- Line count and rate floor adjustment are redacted per CenturyLink's request for confidentiality.<sup>3</sup>
- The total number of study areas with rate floor reductions is 123.
- The total annualized rate floor reduction for carriers that receive HCLS or HCMS is \$1,394,172.

---

<sup>1</sup> See *In the Matter of Connect America Fund A National Broadband Plan for Our Future Establishing Just and Reasonable rates for Local Exchange Carriers High-Cost Universal Service Support Developing an Unified Intercarrier Compensation Regime Federal-State Joint Board on Universal Service Lifeline and Link-Up Universal Service Reform – Mobility Fund*, WC Docket Nos. 10-92, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 86-45, WT Docket No. 10-208, *Report and Order and Further Notice of Proposed Rule Making*, FCC 11-161, ¶¶ 234 - 241 (rel. Nov. 18, 2011)

<sup>2</sup> *Id.*

<sup>3</sup> See GN Docket No. 09-51- CenturyLink Resubmission of Redacted Rate Floor Data Collection in Response to 47 C.F.R. § 54.313, dated July 25, 2012.

- Note, carriers that are below \$10 and do not receive HCLS or HCMS will not be subject to a rate floor reduction. These companies are identified by an asterisk in column B of the attached filing.

Sincerely,

/s/ Karen Majcher  
Vice President, High Cost and Low Income Division

Enclosures: USAC 2012 Rate Floor Data Report